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November 17, 2000

Via Hand-Delivery

K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

99-00909

Re: Application of Memphis Networx, LLC for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunication Services and Joint Petition of Memphis Light Gas & Water Division, a Division of the City of Memphis, Tennessee ("MLGW") and A&L Networks-Tennessee, LLC ("A&L") for Approval of Agreement Between MLGW and A&L regarding Joint Ownership of Memphis Networx, LLC; Docket No.99-00909 – Notice of Additional Material Evidence and Motion for Suspension of Deadline for filing of Briefs and Findings of Fact and Conclusions of Law

Dear Mr. Waddell:

Enclosed you will find the original and thirteen copies of the Notice of Additional Material Evidence and Motion for Suspension of Deadline for Filing of Briefs and Findings of Fact and Conclusions of Law filed on behalf of the Applicant and Joint Petitioners (MLGW and A&L) in the above referenced docket.

Due to the fact that the deadline for the filing of briefs is Monday, November 20, 2000, we are respectfully requesting that the Authority inform the parties today with respect to the request for Motion for Suspension of the Filing of briefs and Findings of Fact and Conclusions of Law.

POSTED
11/20/00

WALLER LANSDEN DORTCH & DAVIS

A PROFESSIONAL LIMITED LIABILITY COMPANY

K. David Waddell
November 17, 2000
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We would appreciate your calling this matter to the attention of the Directors and the Pre-hearing Officer immediately. Thank you in advance for your cooperation.

Sincerely,



D. Billye Sanders
Attorney for Memphis Light Gas
& Water Division and
Memphis Networx, LLC



John Knox Walkup
Wyatt, Tarrant & Combs
Attorney for Memphis Networx, LLC
and A & L Networks-Tennessee, LLC

DBS/klp
w/Enclosures

cc: Parties of Record
Charlotte Knight Griffin, Esq.
Ward Huddleston, Esq.

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DOCKET NO. 99-00909

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1. As reflected in the testimony of Alex Lowe, the witness for A&L, A&L's parent company, Aptus Networks, LLC, was in the process of raising additional capital from investors. In the process of seeking such investors, an investor group became interested in the Memphis Networx project but sought to invest in a manner that was not originally anticipated by A&L. The potential investor ultimately determined it was only interested in a purchase of A&L's entire membership interest in Memphis Networx, instead of making an equity investment in, and becoming an additional member of, Aptus. After considering the proposal and following substantial negotiations between the parties, A&L agreed to sell its entire membership interest in Memphis Networx to the potential investor, Memphis Broadband, LLC ("Memphis Broadband"), and MLGW has consented to the contemplated transfer pursuant to Section 11.3 of the Operating Agreement.

2. The effect of this change is that Memphis Broadband, LLC will replace A&L Networks-Tennessee, LLC as the other member of Memphis Networx. In addition, MLGW and Memphis Broadband have agreed to make certain amendments to the Operating Agreement, subject to TRA approval. Memphis Broadband and MLGW have also amended the Umbrella Agreement in certain respects.¹

¹ As indicated in the Application, the Umbrella Agreement is not subject to TRA approval because it is not in agreement for the provision of related services under T.C.A §7-52-103(d). However, the terms of the amended Umbrella Agreement will be disclosed to the TRA for informational purposes in the same manner that the original Umbrella Agreement was shared.

3. A contract for the purchase of the Memphis Networx membership interest from A&L by Memphis Broadband was signed today, Friday, November 17, 2000. Prior to successful negotiation of terms, evidenced by the executed contract, it was unclear as to whether there would, in fact, be a transfer. Consequently, this development is being reported to the TRA and the other parties to this proceeding contemporaneously with its occurrence.

4. Applicant and Joint Petitioners intend to file a pleading as soon as practicable that will amend the Application and Joint Petition to substitute Memphis Broadband as a member of Memphis Networx and to present evidence regarding Memphis Broadband's participation in the matter. Pending the filing and consideration of this evidence, the Applicant and Joint Petitioners request that the filing of briefs be suspended. The Applicant and Joint Petitioners further recommend that upon filing of the pleadings specifying the amendments to the Application and Joint Petition, that the matter be set for a status conference before the Pre-Hearing Officer.

5. Memphis Broadband, LLC is a Delaware limited liability company which is owned by the Memphis Angels LLC, a Delaware limited liability company ("Memphis Angels") and certain other private investors. Memphis Angels is an investment group created to fund early-stage emerging growth companies located primarily in the Southeast. The principals of the Memphis Angels include a number of prominent Memphis business persons such as: Robert B. Blow, Co-Founder and Managing Director of Paradigm Capital Partners, LLC; William B.

Dunavant, Jr. Chairman and Chief Executive Officer of Dunavant Enterprises, Inc.; Thomas M. Garrott, Chairman of National Commerce Bancorporation; Frederick W. Smith, Chairman, President and Chief Executive Officer of FedEx Corp.; Willard R. Sparks, Chairman of Sparks Companies, Inc. and members of the Kemmons Wilson family of the Wilson Companies. Memphis Broadband will be a manager managed limited liability company under Delaware law, having three individuals selected by its members to serve as managers.

6. In the interest of judicial economy, the Applicant and Joint Petitioners believe that the additional amendments and additional evidence can be handled with a supplement to the existing record. The managerial and technical qualifications of Memphis Networkx have not changed. The financial qualifications of MLGW and the cross-subsidy safeguards presented by MLGW have not changed. The financial fitness of Memphis Networkx, which has been previously established, will only be enhanced by this new member. Consequently, Applicant and Joint Petitioners seek an opportunity to present evidence regarding the transferee and the related changes to the Operating Agreement.

7. Due to the impending deadline for the filing of briefs and findings of fact and conclusions of law, the Applicant and Joint Petitioners respectfully request that a decision be made today on the suspension so the parties will know whether the filings will be due on Monday. A proposed Order is enclosed for the convenience of the Authority.

WHEREFORE, the Applicant and Joint Petitioners pray:

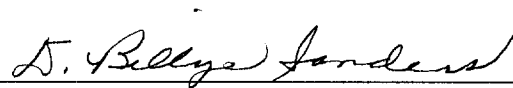
1. That the deadline for filing post hearing briefs and findings of fact and conclusions of law, currently scheduled for Monday, November 20 at 2:00 p.m., be suspended until such time as Applicant and Joint Petitioners file and the TRA considers additional evidence regarding the transfer of A&L Networks-Tennessee, LLC's membership interest in Memphis Networx to Memphis Broadband, LLC;

2. That subsequent to the filing of pleadings explaining the new evidence to the TRA, that the Pre-hearing Officer schedule a status conference regarding the procedure for considering the new evidence in this proceeding;

3. That the Authority notify the parties today as to whether the motion for suspension of time for briefs and findings of fact and conclusions of law has been granted, so that they may govern themselves accordingly; and

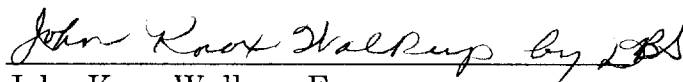
4. For such other relief as the Applicant and Joint Petitioners may be entitled.

Respectfully submitted,



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Attorney for A&L and
Memphis Networx, LLC

CERTIFICATE OF SERVICE

I, D. Billye Sanders, hereby certify that on this 17th day of November, 2000, a true and correct copy of the foregoing was delivered by hand delivery, facsimile or U.S. Mail postage pre-paid to the Counsel of Record listed below.

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**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

REC'D IN
ST. JAMES
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IN RE:

**APPLICATION OF MEMPHIS NETWORKX, LLC
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY TO PROVIDE INTRASTATE
TELECOMMUNICATION SERVICES AND JOINT
PETITION OF MEMPHIS LIGHT, GAS & WATER
DIVISION, A DIVISION OF THE CITY OF
MEMPHIS, TENNESSEE ("MLGW") AND A&L
NETWORKS-TENNESSEE, LLC ("A&L") FOR
APPROVAL OF AGREEMENT BETWEEN MLGW
AND A&L REGARDING JOINT OWNERSHIP OF
MEMPHIS NETWORKX, LLC**

DOCKET NO. 99-00909

**ORDER GRANTING MOTION FOR SUSPENSION OF TIME
FOR FILING OF BRIEFS AND FINDINGS OF FACT AND CONCLUSIONS
OF LAW**

This Matter is before the Tennessee Regulatory Authority ("Authority") upon the filing by Memphis Networkx, LLC ("Memphis Networkx" or "Applicant") and Memphis Light, Gas & Water Division ("MLGW") and A&L Networks-Tennessee, LLC ("A&L") (MLGW and A&L collectively, the "Joint Petitioners") in this docket of a Notice of Additional Material Evidence and Motion for Suspension of Time for Filing of Briefs and Findings of Fact and Conclusions of Law. In the Motion, the Applicant and Joint Petitioners have indicated that there is an agreement to transfer the A&L's, membership interest in Memphis Networks to a Company called Memphis Broadband, LLC. Such a transfer would materially change some of the facts that are to be considered and briefed in this proceeding.

In light of the Monday (November 20, 2000 at 2:00 p.m.) deadline for filing of briefs and findings of fact and conclusions of law, the fact that the new information could affect the arguments in such briefs, and that any delay in bringing these proceedings to a conclusion, has the greatest impact on the Applicant and Joint Petitioners who have this requested this action, the Authority grants the Motion for Suspension of Time for Filing of Briefs and Findings of Fact and Conclusions of Law, but defers the request to refer the matter to the Pre-hearing Officer for consideration at its regularly scheduled Authority Conference docket on Tuesday, November 21, 2000.

IT IS THEREFORE ORDERED THAT:

1. The Motion of Applicant, Memphis Networks, LLC and Joint Petitioners, Memphis Light Gas and Water Division and A&L Networks Tennessee, LLC, for Suspension of Time for Filing of Briefs and Proposed Findings of Fact and Conclusions of Law is granted;

2. The Authority will consider the issue of how to proceed in this docket at its regularly scheduled Authority conference on Tuesday, November 21, 2000 at 9:00 a.m.

Sara Kyle, Chairman

H. Lynn Greer, Jr., Director

Melvin J. Malone, Director

ATTEST:

K. David Waddell, Executive Secretary